

Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: October 30, 2013

To: Council Vice President Robert Lilligren and Chair Elizabeth Glidden

Referral to: Committee of the Whole; IGR subcommittee

Subject: Federal, State, Local update

Recommendation: Receive and File

Prepared by:	IGR Staff		
Approved by:			
Presenters in	Committee:	Gene Ranieri, IGR Director	

Supporting Information.

Federal. The House last week passed the Water Resources Development Act (WRDA). The bill (HR 3080) streamlines procedures to approve and construct projects administered by the Army Corp of Engineers by reducing regulatory procedures and requiring projects to begin within a certain timeframe. The bill also includes two provisions related to the Upper Mississippi River. An amendment offered by Rep. McCollum (D-St. Paul) that directs federal agencies to work in partnership with city, state, and regional efforts to prevent the spread of Asian carp was adopted on the House floor. The amendment is similar to Rep. McCollum's bill (HR 358) which established a coordinated effort to reduce the spread of Asian carp in the Upper Mississippi and Ohio Rivers.

The WRDA bill contained a provision offered by Rep. Keith Ellison (D-Minneapolis) that would require the Army Corps to conduct a study and submit to Congress a report on the impact of closing the Upper St. Anthony Falls Lock and dam on the economy and the environment including an assessment of the annual tonnage moving through the lock and dam during the preceding five years. If the report concludes that the annual average tonnage was less than 1,500,000 tons the Corps must close the lock and dam.

The report to Congress must be completed within 180 days of the passage of the Act and the closure, if required, of the lock and dam must be completed within one year of the Act's passage.

Both provisions relating to Asian carp are also contained in the Senate water resources bill. A conference committee will be named soon to resolve the differences between the two bills.

Budget Conference Committee. The continuing resolution (CR) that funded the federal government until January 15, 2014, also established a budget conference committee. The

committee is charged to develop a budget plan for FY 2014 and future years and report to Congress by December 13, 2013. Senate Chair Sen. Patty Murray (D-WA) and House Chair Rep. Paul Ryan will lead the conference. Both chairs and Congressional leadership do not expect a comprehensive budget plan or "grand bargain" but will attempt to find common ground on budget issues.

<u>State</u>. October Economic Outlook. The Minnesota Department of Management and Budget released its October Economic Outlook which reported that net state revenues are tracking forecast. The department reported that net non-dedicated general fund revenues totaled \$4.086 billion during the first quarter of FY 2014. The total is \$2.0 million less than the February forecast.

The next forecast is due in November 2013. The forecast will be for the remainder of the biennium and will be updated in February 2014. A decrease in revenue would require state budget adjustments.

Department of Natural Resources (DNR) Critical Areas Regulation Development Process. The DNR has initiated a process to develop rules that would replace the Executive Order related to the Mississippi River Critical area. The Department has met with local government officials and staff of cities, counties and townships located within the critical area to review the executive order, the 2014 legislation and hear concerns and comments. The DNR has reported on its individual local government meetings at a forum sponsored by Metro Cities. At the forum which was held last week DNR and local officials discuss concerns and possible solutions. As a result of the meeting and submitted written comments the DNR anticipates to conduct public hearings later this year on the rules. A final rule is not expected until the Summer of 2014.